


The Property Registry

Office d'enregistrement des titres
et des instruments



Manitoba 

Annual Report
2012/2013
Rapport annuel

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MINISTER
OF HEALTHY LIVING, SENIORS AND CONSUMER AFFAIRS

Room 310
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

His Honour the Honourable Philip Lee, CM, OM
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

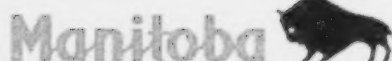
May It Please Your Honour,

I am pleased to present the Annual Report of The Property Registry Special
Operating Agency for the fiscal year ending March 31, 2013.

Respectfully submitted,

Honourable Jim Rondeau
Minister
Healthy Living, Seniors and Consumer Affairs





Healthy Living, Seniors and Consumer Affairs

Deputy Minister's Office
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Honourable Jim Rondeau
Minister
Healthy Living, Seniors and Consumer Affairs

Minister:

I am pleased to submit the Annual Report of The Property Registry for your consideration. This report summarizes Agency activity for the fiscal year ending March 31, 2013. This was the Agency's 16th year of operation as a Special Operating Agency and they continue to meet their performance targets.

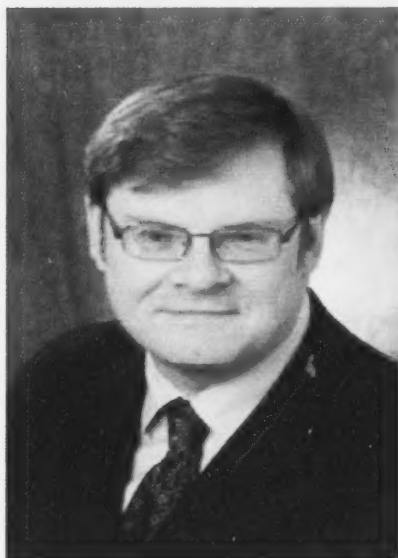
I would like to thank the Advisory Board for their valuable advice throughout the year and the Agency's staff and management for their continued dedication and commitment to client service.

Respectfully submitted,

Cindy Stevens
Deputy Minister
Healthy Living, Seniors and Consumer Affairs



CHIEF OPERATING OFFICER'S MESSAGE



I am pleased to present the 16th Annual Report of The Property Registry Special Operating Agency for Fiscal Year 2012/2013.

The Property Registry through its Clients Service Improvement Initiative (CSI) Project has officially launched the Documents Online service on April 25, 2012 as part of the electronic services of the Manitoba Online portal. This project has been providing quick and convenient services to its clients by allowing them to view and download Property Registry documents online. Online access is available to all land titles documents registered since 2006 as well as all of Brandon Land Titles' caveats and Winnipeg Land Titles' 2005 caveats and six-digit caveats.

A detailed progress report for the CSI project is provided in this report.

New fees for Land Titles registrations and services were implemented on August 26, 2012.

Financial highlights:

Net income: \$13,218,000

Land Transfer Tax collected: \$74,955,000

Senior management and legal staff of the Agency were active in development of regulations for *The Condominium Act*, and two Bills before the Legislature in the 2013 session: Bill 34: *The Property Registry Statutes Amendment Act* and Bill 29: *The Land Surveyors and Related Amendments Act*.

The Province of Manitoba has entered into an agreement with Teranet Manitoba for the sale of The Property Registry for \$75 million. The transaction will be completed in 2013/2014. Teranet Manitoba will pay royalties to the government in exchange for a license to provide Land Titles and Personal Property Registry services to the public. This report includes the highlights of the agreement. Below is a statement from Finance Minister Struthers with regards to the sale of The Property Registry:

"This arrangement is part of our modern approach to deliver services more efficiently. It will mean better service for the public, a stable revenue stream for the province, a new company headquartered in Winnipeg and a reduction in the size of government without putting any Manitobans out of work."

A new Office of the Registrar-General will be created to oversee the registry systems and ensure service levels are maintained.

The Property Registry is honoured to have Dr. Mary Elizabeth Brabston of the University of Manitoba join our Advisory Board this year. I thank the Advisory Board and its Chair, M. Alexandra Morton, Q.C. for their advice.

I would like to extend my gratitude to the staff of The Property Registry for their professionalism and dedication. I wish you all the best as we enter a new era of modernization of the registry system.

This report is available in alternate formats on request.

A handwritten signature in dark ink, appearing to read "Barry C. Effler".

Barry C. Effler
Registrar-General
& Chief Operating Officer

MESSAGE DU CHEF DE L'EXPLOITATION



Je suis heureux de présenter le 16^e rapport annuel de l'Office d'enregistrement des titres et des instruments, un organisme de service spécial, pour l'exercice 2012-2013.

Dans le cadre de son initiative d'amélioration des services à la clientèle, l'Office a lancé officiellement son service de consultation de documents en ligne le 25 avril 2012, en l'intégrant aux services électroniques du portail des services en ligne du Manitoba. Ce projet assure des services rapides et pratiques aux clients en leur permettant de consulter et de télécharger des documents de l'Office en ligne. On peut dorénavant accéder en ligne à tous les documents enregistrés au Bureau des titres fonciers depuis 2006 ainsi qu'aux notifications d'opposition aux titres fonciers à Brandon, aux notifications d'opposition aux titres fonciers à Winnipeg depuis 2005 et aux notifications d'opposition aux numéros à six chiffres.

Vous trouverez un rapport d'activité détaillé à propos de cette initiative dans le présent document.

De nouveaux droits s'appliquant à l'enregistrement des titres et aux services sont entrés en vigueur le 26 août 2012.

Faits saillants financiers : Bénéfice net : 13 218 000 \$
Taxe sur les transferts fonciers perçue : 74 955 000 \$

La haute direction et le personnel de l'Office ont continué de participer activement à l'élaboration de règlements pris en application de la *Loi sur les condominiums* et de deux projets de loi lors de la session de l'Assemblée législative de 2013, soit le projet de loi 34 : *Loi modifiant diverses lois relatives à l'Office d'enregistrement des titres et des instruments*; et le projet de loi 29 : *Loi sur les arpenteurs-géomètres et modifications connexes*.

La Province du Manitoba a conclu une entente avec Teranet Manitoba en vue de la vente de l'Office d'enregistrement des titres et des instruments au prix de 75 millions de dollars. La transaction sera conclue en 2013-2014. Teranet Manitoba paiera des redevances au gouvernement en échange d'un permis d'autorisation à assurer des services d'enregistrement des titres fonciers et des biens personnels au public. Les faits saillants de l'entente se trouvent dans le présent rapport. Voici ce qu'avait à dire le ministre des Finances, M. Stan Struthers, à propos de la vente de l'Office :

« Cette entente fait partie d'une approche moderne visant à assurer des services avec plus d'efficacité. Elle permettra d'améliorer les services au public, de générer un flux de revenus stables pour la province, d'ajouter un nouveau siège social à Winnipeg et de réduire la taille du gouvernement sans causer de perte d'emploi au Manitoba. »

Un nouveau bureau du registraire général sera créé pour surveiller les systèmes d'enregistrement et assurer le maintien des niveaux de service.

Cette année, l'Office a eu l'honneur d'accueillir Mary Elizabeth Brabston de l'Université du Manitoba comme membre de son conseil consultatif. Je tiens à remercier le conseil consultatif et sa présidente, M. Alexandra Morton (c.r.), de leurs conseils.

Je tiens aussi à remercier le personnel de l'Office de son professionnalisme et de son dévouement. Je vous souhaite le plein succès au moment où s'amorce la modernisation de notre système d'enregistrement.

On peut se procurer le présent rapport en média substitut, sur demande.

Barry C. Effler
Le registraire général et
chef de l'exploitation,

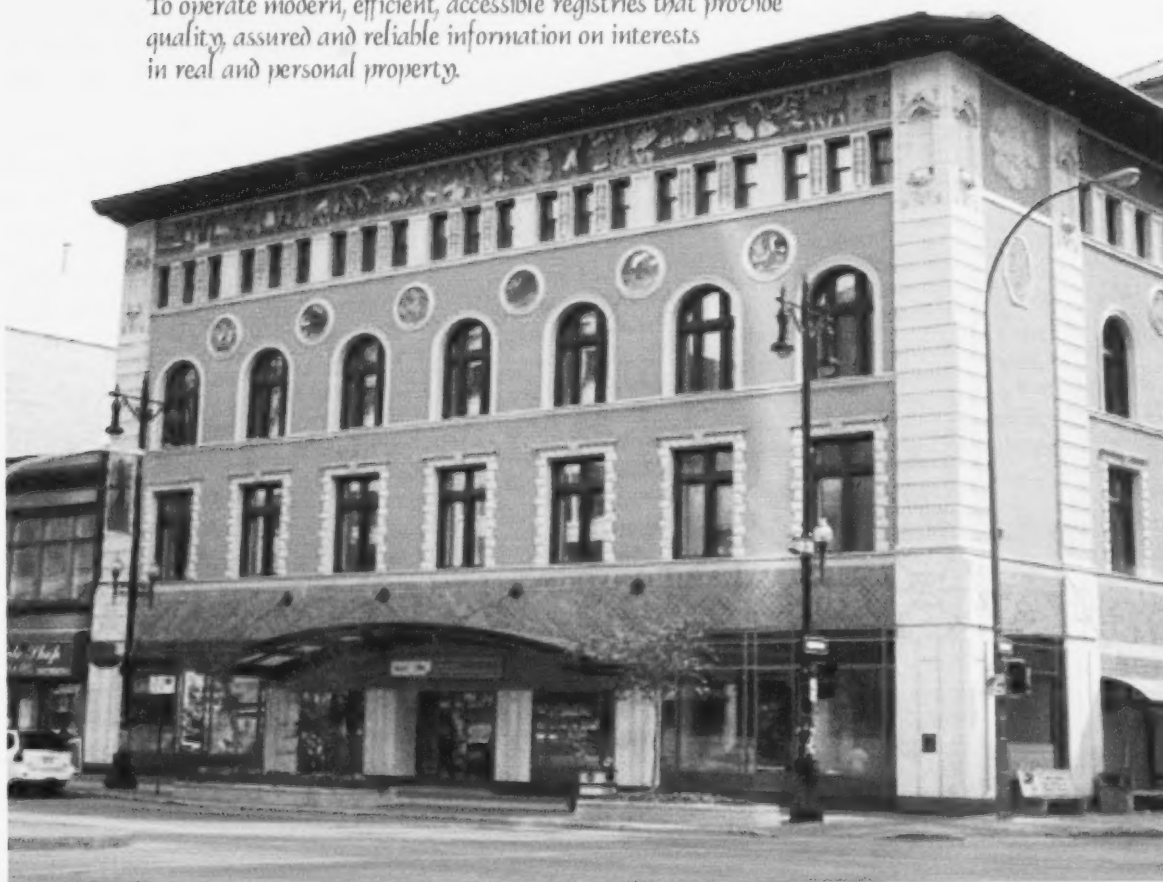
Agency Profile

Mandate:

The Agency's main function is to provide certification of titles to land, maintain land records and provide reliable information of financial interests in personal property to the public.

Mission Statement:

To operate modern, efficient, accessible registries that provide quality assured and reliable information on interests in real and personal property.



The Property Registry
Winnipeg Land Titles and Personal Property Registry
Winnipeg, Manitoba

10 AGENCY PROFILE

AGENCY STRUCTURE

The Property Registry consists of two registries, the Land Titles Office and the Personal Property Registry. The Land Titles Office has six offices, one in Winnipeg and five regional offices in Brandon, Portage la Prairie, Morden, Dauphin and Neepawa. The Land Titles Office includes a Surveys Branch and Administration Office, both located in Winnipeg. The District Registrars are responsible for their respective districts and the Examiner of Surveys is responsible for the Surveys Branch.



Old Neepawa Land Titles Office

The Chief Operating Officer, known as the Registrar-General for statutory purposes, reports to the Assistant Deputy Minister, Consumer Affairs Division, Healthy Living, Seniors and Consumer Affairs. The Director of Finance, the Director of Information Systems, the Registrar of the Personal

Property Registry, the Examiner of Surveys and the District Registrars report to the Registrar-General and Chief Operating Officer. The Director of Finance is responsible for the financial area of the Registry.

The Personal Property Registry is a central registry with one office in Winnipeg. The Registrar of Personal Property Security is responsible for that office.

There are currently 152 staff years within The Property Registry, plus seven term staff years.

The Registry's senior management team consists of the Registrar-General and Chief Operating Officer, the Deputy Registrar-General and District Registrar for the Winnipeg Land Titles Office, the Director of Finance, the Director of Information Systems, the Examiner of Surveys and the Registrar of Personal Property Registry.

The Registry's Advisory Board provides advice on the Agency's strategic operations, mandate, structure, business priorities and finances. The Board will also comment on the Agency's performance through review of business plans and reports.

MARKETS

The most significant clients of the Agency are the residents of Manitoba

The Land Titles Office provides not only a record of land ownership within the Province, but also a registry that facilitates commercial transactions securing billions of dollars each year. Land Titles Offices also provide professional services to financial institutions, surveyors, the legal profession and the real estate industry. The Personal Property Registry clients include the legal profession,

banks, credit unions, other financial institutions, wholesalers, retailers, and vehicle dealers. Many departments of all levels of government, including municipalities, are frequent users of information held by the Agency's registry systems.

The public and other government agencies rely heavily on the veracity of the Land Titles Office and the Personal Property Registry as a fundamental source of information for their own databases, systems and business processes.

AGENCY STATUS

The Property Registry was formed April 1, 1997 by merging the Land Titles Office and The Personal Property Registry. In 2001, The Property Registry received an Official mark for our logo.



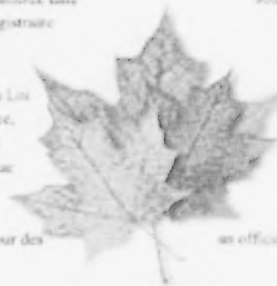
Office de la propriété
intellectuelle
du Canada
Office of Intellectual
Property Canada

Canadian
Intellectual Property
Office
An Agency of
Industry Canada

Marques de commerce

Certificat

Il est par la présente certifié que, dans le
Journal des marques de commerce daté
du 21 novembre 2001, le registraire
des marques de commerce
a donné, en vertu du
sous-articles 9(1)(ix)(ii) de la Loi
sur les marques de commerce,
un avis public d'adoption et
emploi par l'autorité publique
identifiée ci-dessous de
la marque indiquée ci-après
comme marque officielle pour des
marchandises et services.



Ministre du Commerce
E-115587
Autorité publique
Public Authority

Government of Manitoba

Trade-marks

Certificate

This is to certify that in the Trade-marks
Journal dated November 21, 2001,
the Registrar of Trade-marks
gave public notice under
subparagraph 9(1)(ix)(ii)
of the Trade-marks
Act of the adoption
and use by the
public authority
identified below of
the mark shown below as
an official mark for wares and services.

Canada

Registraire des marques de commerce
Registrar of Trade-marks

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ADVISORY BOARD

The Advisory Board is appointed by the Minister of Healthy Living, Seniors and Consumer Affairs and comprises:

- the Assistant Deputy Minister of the Consumer Affairs Division, who acts as Chair;
- one member representing internal government clients;
- one practising lawyer;
- two members external to government, knowledgeable in business practices

and/or familiar with the Agency's lines of business; and

- one Agency staff representative.

The Chief Operating Officer of the Agency is an ex-officio member of the Board. Other external resources or Agency staff may be invited to attend meetings at the request of the Chair. The composition of the Board may change over time as circumstances warrant.

Chair

M. Alexandra Morton, Q.C.
Assistant Deputy Minister, Consumer Affairs
Healthy Living, Seniors & Consumer Affairs

Members

Bruce King
Lawyer
Pitblado LLP

Les McLaughlin
Manitoba Land Surveyor
Pollock & Wright

Mark Boreskie
Provincial Municipal Assessor
Department of Intergovernmental Affairs

Georgina Phillips
Survey Client Services Supervisor
Winnipeg Land Titles Office

Mary Elizabeth Brabston
Associate Professor
University of Manitoba

Barry C. Effler
Registrar-General and Chief Operating Officer
The Property Registry

Initiatives

*The Property Registry is
committed to the successful
implementation and continuous
improvement of Agency services.*

PENDING SALE OF THE PROPERTY REGISTRY

In December, 2012, the Government of Manitoba entered into an agreement with Teranet Manitoba for the sale of The Property Registry.

PRESS RELEASE

December 13, 2012

PROVINCE MODERNIZES PROPERTY REGISTRY TO IMPROVE SERVICE FOR MANITOBBANS

Deal Creates New Local Company, Reduces Size of Government While Protecting Employees: Struthers

Finding and registering legal documents when selling a house or buying a second-hand car will become faster and easier for Manitobans as a result of a new agreement, Finance Minister Stan Struthers announced today.

"This arrangement is part of our modern approach to deliver services more efficiently," said Struthers. "It will mean better service for the public, a stable revenue stream for the province, a new company headquartered in Winnipeg and a reduction in the size of government without putting any Manitobans out of work."

The Manitoba government will sell the Property Registry, a special operating agency, to Teranet Manitoba for a purchase price of \$75 million. Teranet Manitoba will also pay royalties to the government in exchange for a license to provide property registry services to the public. Teranet is owned by the investment arm of the Ontario municipal employees' retirement system.

The minister outlined the highlights of the agreement:

- Teranet will invest \$35.5 million in systems development to ensure services such as title, property searches and registrations will be available through a more convenient, faster and secure online system.
- There will be estimated annual royalty payments of \$11 million in 2013, increasing to \$24 million at the end of the 30-year licensing agreement.
- Employees of the existing Property Registry will be transferred to the new firm, reducing the size of government by more than 100. Teranet will not lay-off employees and will protect employee benefits.
- To protect consumers, the government will maintain the authority to set rates charged by Teranet for services. All existing Property Registry offices will remain open.
- Data used by Teranet, such as land survey and property titles, are now and will always be owned by the province and protected by privacy legislation.

"This deal allows us to take advantage of Teranet's expertise in delivering this specialized service and it ensures good value to the government while ensuring the public is protected," said Struthers.

The minister also announced the province will create a new Office of the Registrar General to oversee the registry

CLIENT SERVICE IMPROVEMENT INITIATIVE

SUMMARY

The Property Registry (TPR) is in the third year of a seven-year Client Service Improvement Initiative (CSI). The goal of the initiative is to provide clients with faster and more convenient access to Registry services such as the registration of documents and the search for information related to land ownership and land transfers. The initiative has been designed to introduce improvements through a series of planned phases. Each phase introduces a new online service which builds on previous improvements. Clients include the public, law firms, surveyors, real estate companies, financial institutions and resource companies such as mining and oil and gas companies.

The CSI is resulting in major changes to both the services TPR provides to the public as well as to the internal processes and operating structure of the Agency. The net results are faster, more consistent and more convenient service to the public. Significant internal efficiencies are being achieved by the streamlining of processes related to the registration and retrieval of documents and plans.

MAJOR ACCOMPLISHMENTS

- Clients can now order and pay for all land title documents online and can now view and download documents that have been converted to images.
- All survey plans can now be viewed, downloaded and paid for online by clients.
- The Advanced Account Management System Phase 1 (Common Financials) allows for payments by clients via online accounts or credit cards.
- Client account transaction statements are now available online.
- Increased staff efficiency through the use of iMPRESS (internal Manitoba Property Registry Electronic Search System) to locate and retrieve all documents and survey plans. These efficiencies are extended to clients as staff can now provide them with faster service.

FUTURE MAJOR MILESTONES

- Titles and Instruments Online Search
- Upload of Survey Plans for Examination
- Electronic Submission, Workflow Intake and Internal Workflow Distribution
- Electronic Submission of Documents from Clients to TPR
- The Advanced Account Management System (Phase 2 and Phase 3)
- Migration of Land Titles Database by 2016/17

PROGRESS SUMMARY

The CSI has progressed as planned. Project development has been driven by a combination of input from many 'Voice of the Customer' sessions as well as desired business outcomes as articulated in its vision for the future by senior TPR management.

Results to date include the development and implementation of client facing 7x24 online services located in the TPR Online Search Portal. This Portal is an expansion of the

16 INITIATIVES

Agency's existing online services provided for the Personal Property Registry. This has saved development costs and has reduced risk through the use of well-established and reliable software tools and architecture.

MAJOR COMPLETED ACTIVITIES

1. Survey Plans Online Search (SPO)

Summary:

This 24 x 7 online service allows clients to view, download and print high resolution plans onto their home or office computers. Clients also have the ability to view low resolution survey plan images before they place an order.

The traditional subdivision process requires the circulation of draft subdivision plans to a number of government departments and branches. Each office must review and approve the plan before it can be registered by TPR. This project aims to eliminate the sequential transfer of the plans between departments. The goal is to send plan images electronically and simultaneously to the various approval authorities for their review. The pilot project was used to confirm the viability of this proposed process. Full implementation will require formal coordination with the applicable departments.

Components:

- a. Search/Preview/Order Survey Plans and Director of Survey Plans
- b. Download Electronic Survey Plans and Director of Survey Plans
- c. Pilot Subdivision Collaboration for Approval of Plans

Benefits:

- The preview feature helps to ensure that clients order and pay for the right plan
- Eliminates the time between the placement and receipt of an order
- Reduces staff time in processing requests

2. Document Online Search (DoL)

Summary:

This service allows the public to search land titles records to find any registered document, e.g. mortgages, caveats, etc. The user can then look at the document and then save it to their computer and/or print a copy. There are approximately 3,234,740 images currently available online. If the document is not online, the user has the convenience of ordering a copy over the Internet for delivery by mail, facsimile or pick up.

Components:

- a. Search/Order Documents
- b. Download Electronic Image of Documents

Benefits:

- Faster and more convenient access as compared to attending to a land titles office or ordering by fax or mail
- Easier access may mean more use by clients and therefore increased revenue
- Reduces staff time in processing requests

3. CSI Advanced Account Management System (AAMS) Phase 1 – Online Common Financials

Summary:

The Advanced Online Account Management System is a key piece for the delivery of all online services. It will process and store all transactions in a secure and centralized revenue transaction database.

Benefits:

- Common financial services allows the secure use of credit card and online client account for payment for the following services:
 - Survey Plans Online Search
 - Documents Online Search
 - Titles and Instruments Online Search
 - Upload of Plan Deposits Online
 - Full Subdivision Collaboration Online
 - Electronic Submission of Land Title Documents and Survey Plans Online

4. TPR Personalized Services - Internal Systems (iMPRESS)

Summary:

The iMPRESS is an internal application/database which provides staff with very convenient access to all land titles registry documents and registered survey plans.

Components:

- a. Delivery of front counter services (e.g. service requests, certification) via iMPRESS
- b. Internal Survey Plan Search
 - i. Survey Plans
 - ii. Director of Survey Plans
- c. Internal Land Titles Document Search
- d. Internal Task Management for Online Service Requests
- e. Internal Survey Plan Package and Distribution

Benefits:

- iMPRESS allows staff to perform their jobs with much greater efficiency and accuracy. These internal benefits are passed on to clients who rely on TPR for timely information on the status of registrations and copies of documents and plans.

MAJOR ACTIVITIES UNDERWAY

5. CSI Advanced Account Management System (AAMS): Phase 2 and Phase 3

The Agency currently relies on POS+ as a point of sale system for the collection of cash and cheques as well as client account processes. It is no longer supported by its vendor and is not completely compatible with Windows 7. Phase 2 will replace POS+ and will replicate POS+ account management functionality. Phase 3 will provide management with detailed reports.

Work to date:

- Detailed Business Requirements, Systems Design and Prototype for phase 2 completed

6. Titles and Instruments Online Search (ToL)

Titles Online will allow clients to search, order, view/download and print Status of Titles and associated registered documents from their office. Each search will be cross-referenced to a file number. This online service will include a workspace feature that will give clients the ability to organize their searches and copies of documents into electronic folders. An accumulated cost will be displayed as they search/order documents.

The Unaccepted Builders Liens' List is a daily report that serves as notice of these liens. The Condominium Index contains a listing of all registrations regarding condominiums.

These databases are currently available on the mainframe system. This project will provide access to this information via an online service.

Work to date:

- Detailed Business Requirements and Design Document complete
- Development and System Testing in progress
- User Acceptance Testing in progress

7. Electronic and Paper Submission Workflow Intake

Land Titles forms will be provided to the public which, when completed, will generate a barcode. This barcode will be read on submission of the paper document. Information will then be automatically validated and processed. Processing will include payment of fees, determination of type and level of work and assignment to the appropriate staff for further review and processing. This is the first step towards the creation of XML files necessary for full Electronic Registration.

Work to date:

- Planning in progress
- Gathering High Level Business Requirements in progress
- Planning the gathering of Detailed Business requirements in progress

8. Electronic Registration, Internal Workflow Distribution and Electronic Notification

This phase provides for the distribution of electronically submitted documents. Documents will be automatically checked by the system for completeness and accuracy. The document will then either be rejected and returned to the applicant or forwarded within TPR for further processing. Certain documents will be identified for automated electronic acceptance. Other documents, for example those which are complex and/or uncommon, will be forwarded to a staff person for review. Clients will receive electronic notification of the status of the processing of their documents.

Work to date:

- Planning in progress
- Gathering High Level Business Requirements in progress

9. Upload of Survey Plan for Examination

Current survey plans are submitted in paper format. This project will allow surveyors to submit plans in an electronic format, for examination.

Work to date:

- Detailed Business Requirements, Systems Design and Prototype complete

20 INITIATIVES

SURVEYS

The Property Registry examines plans of survey submitted to it using a two-stage process. The first stage is to review a proposed plan of survey submitted as a "deposit plan" and notify the land surveyor who submitted the plan of any required amendments. The second stage is when the plan of survey is submitted for registration along with all related land titles registration documents.

The table below entitled "Plan Deposit Statistics" records the number of plans placed on deposit in each of the specified calendar years. The data shown for 2013 data is up to August 15, 2013.

Plan Deposit Statistics

<i>Count of deposit number</i>	<i>Deposit Year</i>									
<i>Plan type description</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>
Air space	1				2		2	1		
CLSR	24	32	13	3	6	1	4			1
Condominium	25	18	49	36	53	48	58	86	27	26
Drain	4	5	6	8	4	2	7	10	4	2
Dyke							1			1
Easement	335	474	474	426	471	421	541	498	372	350
Lane	25	18	14	9	13	11	15	15	9	11
Phased Condos								6	10	14
Monument Restoration	183	146	197	135	161	183	216	200	166	132
Perpetuating Monuments	19	32	11	12	10	9	16	15	9	36
Pipeline										
Plan 128(4)	6	1	2	3	2	2	2	2		4
Public Road	64	56	47	36	32	48	44	28	27	27
Public Work	1		1							
Railway Deposits								9	3	7
Railway	1									1
Right of Way	2	1	1							
Special Plot	3	12	6	32	9	10	5	1		
Special Survey	11	4	5	1	2	4	5	8	1	3

Plan Deposit Statistics (continued)

Street	44	52	31	31	33	41	25	30	14	18
Subdivision	550	622	689	615	669	568	603	544	452	397
Survey	115	118	126	93	118	108	123	128	116	100
Township Sketch	14	6	3	5	3	2				
Transmission Line				1						
Water Control Works	5	4	5	7	8	3		3		
Water Storage	2		1	2	1	4	3		1	3
Withdrawn	51	34	59	37	25	19	28	7		11
Works	5	1	4	4	11	9	12	8		2
Condominium (Bare Land)	11	12	16	15	26	5	58	19	9	11
Grand Total	1501	1648	1760	1511	1659	1498	1737	1618	1220	1227

Note: Total numbers of Deposits is greater than the actual number of deposits due to dual plan types being counted twice.

Plans registered:

2012	2013
1511	849

SPECIAL SURVEYS

The Property Registry is responsible for The Special Surveys Act. The Property Registry may contract out special surveys to Manitoba Land Surveyors for the purpose of correcting errors and maintaining the survey fabric that supports the issuance of titles.

This year, six special surveys were authorized. Partial payments are made upon completion of the survey work and final payment is made upon the completion and registration of the Special Survey.

SURVEY OUTLINE MONUMENT RESTORATION FUND

Outline monuments are the monuments which indicate on the ground, the location of key elements of the survey fabric of Manitoba. These monuments are the foundation of the Land Titles system. One review indicated that in any given area thirty (30%) per cent or more of these monuments were missing although there is improvement due to the Survey Outline Monument Restoration Project. This loss was having a negative impact on development and the integrity of titles issued by The Property Registry. Municipalities are responsible for maintaining outline monuments.

22 INITIATIVES

Because of the importance of the outline monuments to the Land Titles system, The Property Registry established an annual fund to assist municipalities with the cost of restoring survey outline monuments. The municipality pays the entire cost of the monument restoration. Upon approval of the monument restoration by The Property Registry, the municipalities are reimbursed for half of the cost in accordance with the guidelines and fee schedule agreed on by the City of Winnipeg, the Association of Manitoba Municipalities (AMM) and the Professional Land Surveyors Business Group.

For the fiscal year 2012/2013, 759 outline monuments were restored at a cost of \$ 307,463.08.

MANITOBA POLICY ON ACCESS TO GOVERNMENT: PUBLICATIONS, EVENTS AND CUSTOMER SERVICE (MPAG)

The Manitoba Policy on Access to Government: Publications, Events and Customer Service (MPAG) puts an obligation on the Manitoba government to offer citizens reasonable access to public information, events and services. MPAG includes equal access to public information (in print and on-line), public events (meetings, hearings, and community consultations), and customer service. It is a shared responsibility among all government departments to inform the public that access to services may be improved by reasonably accommodating individual needs in a respectful and timely way.

The Property Registry, as part of Healthy Living, Seniors and Consumer Affairs, is committed to meeting the needs of people with disabilities when providing information, conducting events and serving the public. More information about this government Initiative may be read in the Healthy Living, Seniors and Consumer Affairs Annual Report.

THE PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

Any disclosures of wrongdoing received by The Property Registry pursuant to The Public Interest Disclosure (Whistleblower Protection) Act will be reported in the Annual Report of the Department of Healthy Living, Seniors and Consumer Affairs. For further information, please refer to the 2012/2013 Annual Report of the Manitoba Department of Healthy Living, Seniors and Consumer Affairs.

SUSTAINABLE DEVELOPMENT

The Manitoba government has introduced a sustainable development policy, which establishes guidelines and principles to ensure that sustainable development objectives are considered in all government initiatives.

The Agency continues to participate in current programs and any educational programs which will assist in integrating sustainable development principles into procurement practices.

The Property Registry continues to recycle paper products and uses recycled paper products and recycled photocopy paper.

The Agency purchases only remanufactured printer cartridges where permitted under existing leases and warranty provisions, and considers environmentally preferable products on Agency purchases.

As part of the development of the rooftop plaza at 276 Portage Avenue, both recycled roof tiles and tables were acquired through Canadian vendors.

The Property Registry's Client Service Initiative involves additional searches and printed output. The Agency has reviewed and will use 30 per cent recycled post consumer goods for these printed services.

The Property Registry now scans documents and sends internal notices by email rather than using regular mail.

FRAUD

To caution consumers about possible fraud-related land claims, The Property Registry continues to distribute the Consumer Alert. The Alert warns consumers of potential fraudulent transactions that may occur and advises them to contact their lawyer and/or financial advisor before entering into any arrangement with parties, other than the municipality, who may contact them. Both the City of Winnipeg and rural municipalities have been given copies of the Consumer Alert (shown below) to include with their notices of tax arrears.

Consumer Alert

TAX SALE AND MORTGAGE SALE SCAMS

Losing your home or real estate through a mortgage sale, foreclosure or tax sale is frightening. Manitoba property owners are falling victim to con artists who offer to help you save your property, but will only make things worse.

The offer may sound good, but it is probably a scam.


- The con artist may urge you to sign a paper that gives your property to the con artist in exchange for low or no payments.
- The con artist may promise to give your property back to you after you meet certain conditions, such as making payments in very tight time limits.
- The con artist may tell you this is just another way to secure a loan.

The reality is the land now belongs to the con artist and you may not be able to get your property back. If the property is returned, it may have no equity (value) left because the con artist could have mortgaged all equity and taken the money.

If you are contacted by somebody who says they will "help you save your property":

- Contact your lender. They may be able to work out an agreement with you that is within your budget.
- Get advice from a trusted lawyer or accountant.
- Don't sign anything until you talk to a trusted advisor.
- Don't trust any offer to lease back your property so you can buy it back over time. The offer may sound good but the conditions often make it impossible to buy back the property.
- Don't sign any papers in blank or with blank parts; information can be added later without you knowing. Demand copies of all documents you sign.

If you feel you have been the victim of fraud, call the police.

Manitoba 

Performance Measures

Each year, The Property Registry will identify key objectives.

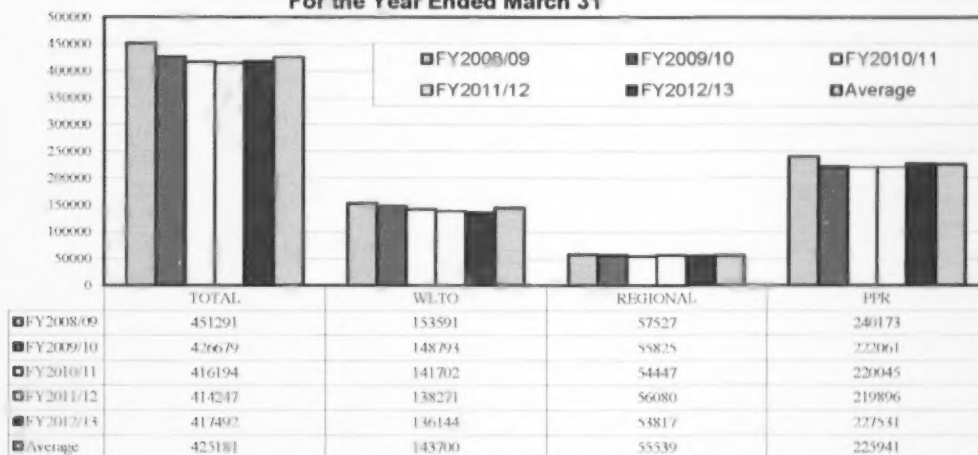
The objectives set out the important success factors that help us assess the extent to which objectives have been met.

26 PERFORMANCE MEASURES

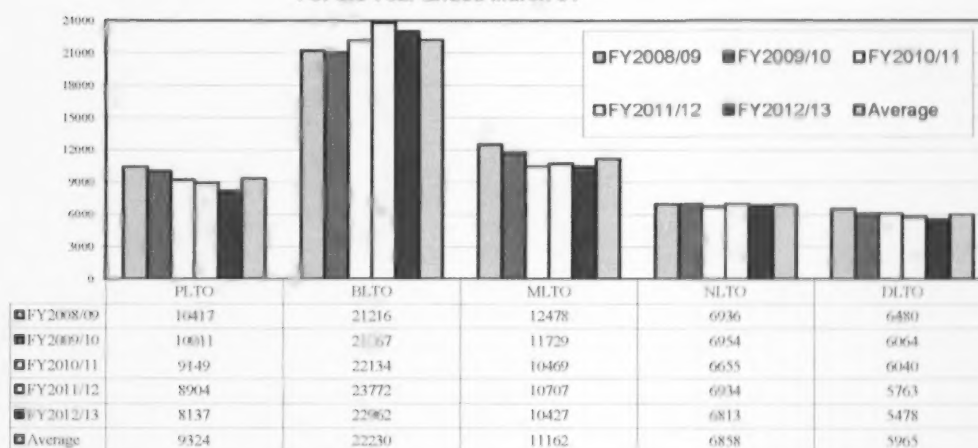
PERFORMANCE REVIEW

Registration volumes declined in the Winnipeg Land Titles Office and in the Regional Land Titles Offices over last year. Registration volumes increased in the Personal Property Registry over last year.

**Activity by Registry - Registration Volume
For the Year Ended March 31**

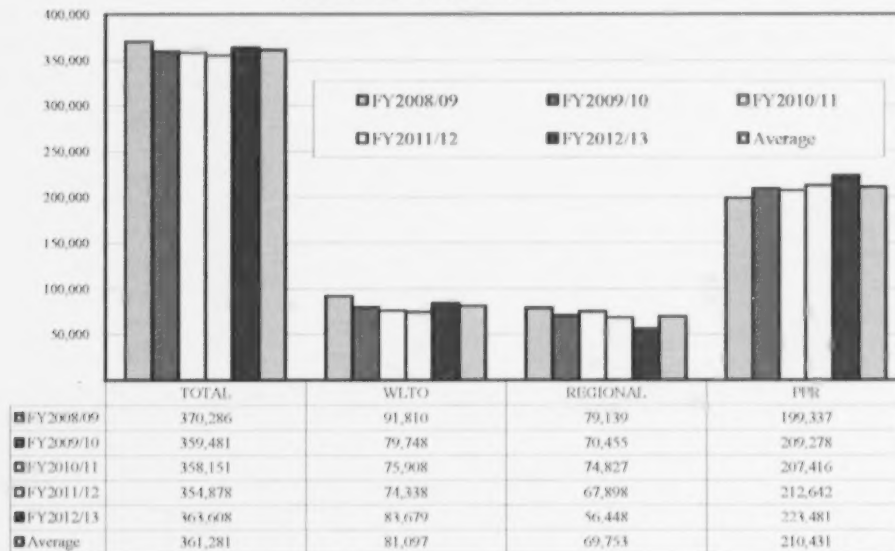


**Regional Land Title Registry - Registration Volume by Office
For the Year Ended March 31**

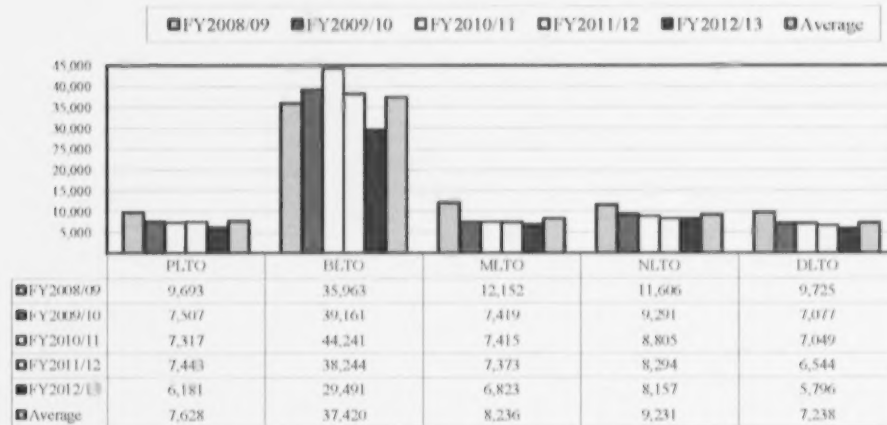


The document processing time in the Winnipeg Land Titles Office averaged 8.7 calendar days with 99.5% of those documents affecting the electronic title. The Regional Land Titles Offices averaged a turnaround time of 2.3 days with the rate (in brackets) of documents registered affecting an electronic title in the Brandon (98%), Portage La Prairie, (100%), Morden (99%), Dauphin (97%), and Neepawa (97%) Land Titles Offices. Personal Property Registry completed registrations within one day.

**Activity by Registry - Service Volume
For the Year Ended March 31**



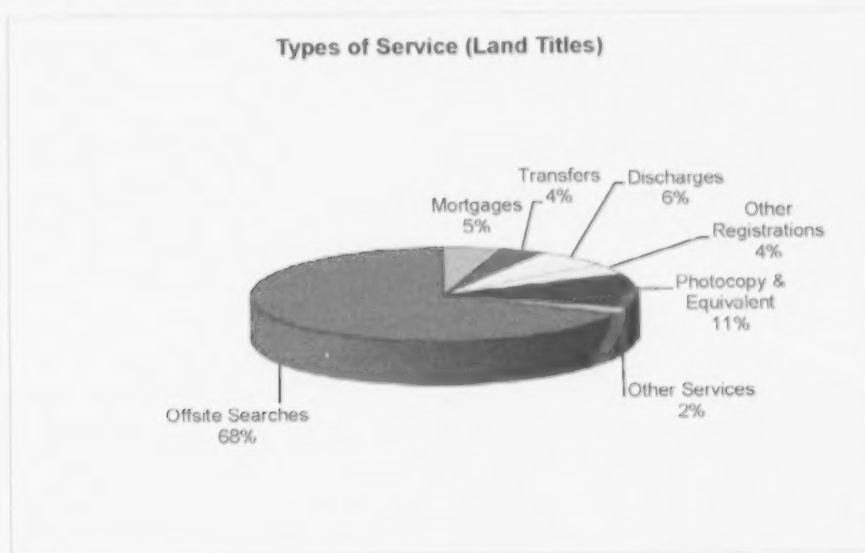
**Regional Land Title Registry - Service Volume
For the Year Ended March 31**



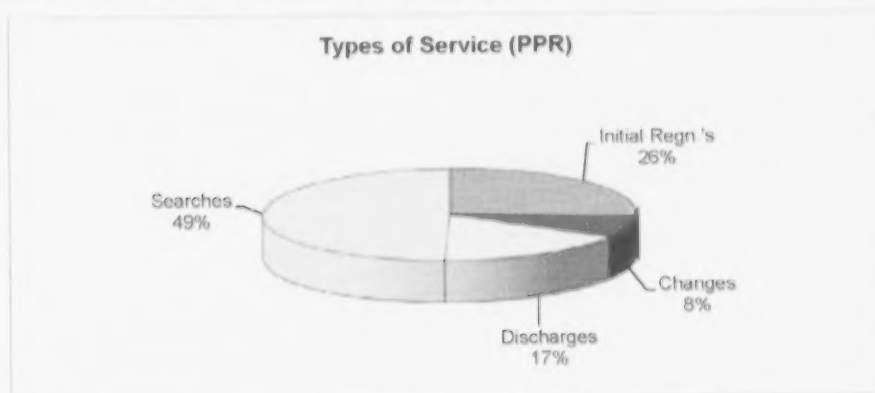
28 PERFORMANCE MEASURES

PERFORMANCE MEASURES

The following pie chart indicates the percentage of volume breakdown for Land Titles and Personal Property Registry service and registration activity for the year ended March 31, 2013.



Note: Offsite searches were estimated using total number of transactions (screens) divided by an estimate of the number of screens viewed in a typical title or instrument search.



Financial Report

Management's discussion and analysis is presented in three sections. The first section discusses the results of operations for the Agency. The second section analyses the Agency's financial condition, including cash flow and capital expenditures.

The discussion and analysis are based on the financial statements, which are presented following this section of the annual report.

30 FINANCIAL REPORT

RESULT OF OPERATIONS

OVERVIEW

Revenue increased 12% over the prior year. The increase is mainly attributable to a fee increase to Land Titles registrations and services effective August 26, 2012 .

During Fiscal Year 2012/2013 The Property Registry transferred \$11.0 million to the Province for the annual revenue-share. The Registry's Accumulated Surplus stood at \$9.9 million on March 31, 2013 representing an increase of \$2.2 million from the previous year.

REVENUES

The Property Registry posted total revenue of \$27.2 million for the year ending March 31, 2013, rising by 12% from Fiscal Year 2011/2012 revenues of \$24.3 million.

Registration volumes in the Personal Property Registry system increased by 3.5% while registrations in Land Titles decreased 2.3% resulting in an overall increase in registrations of 0.8%. Interest of \$75.6 (2012, \$84.2) was earned through investments.

Land Titles Office fee revenues increased by 15% to \$18.4 million compared with \$16 million in the previous fiscal year. The Land Titles Office revenue consisted of \$2.9 million from transfer fees, \$3.8 million in mortgage fees, \$6.0 million in other registration fees, and \$5.7 million in service fees. Revenue from entities within the Province of Manitoba were \$487.0 consisting of \$454.4 in fee recoveries and \$32.6 in secondment salary recoveries.

Personal Property Registry fee revenue increased to \$8.2 million (2012, \$7.7 million) compared with the previous fiscal year. Personal Property registration fees consisted of \$6.4 million in registration fee revenue and \$1.8 million in service fee revenue.

The Property Registry is responsible for collecting and administering the Land Transfer Tax on behalf of the Province. Revenue collected is regularly transferred to the Consolidated Revenue Fund. Refunds for overpayment within the fiscal year are made from the Registry. Refunds of Land Transfer Tax paid after the tax has been transferred to the Consolidated Revenue Fund are disbursed directly from the Fund.

Land Transfer Tax revenues increased 11.3% to \$75.0 million. This increase is largely attributed to an increase in the average sale price of homes.

SALARIES AND BENEFITS EXPENSE

Salaries and benefits for Fiscal Year 2012/2013 were \$8.5 million (2012, \$8.7 million), a decrease of \$158.0. This decrease is due to not filling vacant positions.

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from the expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2011. The report provides a formula to update the liability on an annual basis. The Property Registry's actuarially determined net liability for accounting purposes as at March 31, 2013 was \$1,453 (2012- \$1,604).

Public Sector Accounting Standards require the Agency to accrue non-vesting sick pay benefits as they are earned by employees. The accrued benefit obligation related to sick leave entitlement earned by employees is determined using a valuation model developed by an actuary. The valuation is based on employee demographics, sick leave usage and actuarial assumptions. The Property Registry's actuarial determined sick pay benefits liability for accounting purposes as at March 31, 2013 was \$182 (2012 - \$182).

Employees of The Property Registry are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the government, including The Property Registry, through the Civil Service Superannuation Fund (CSSF).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, The Property Registry transferred to the Province the pension liability for its employees. Commencing April 1, 2001, The Property Registry was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2013 was \$482 (2012 - \$439). Under this agreement, The Property Registry has no further pension liability.

32 FINANCIAL REPORT

OPERATING EXPENSES

Overall operating expenses (excluding Amortization expense) of \$4.5 million were below budget by \$677.0 primarily as a result of lower than expected costs for Records Management - conversion of microfilm images of Land Titles documents to digital pdf images (285.1), Application Maintenance (\$211.3), Interest and Bank charges (114.8), Training & Development (\$79.8), Repairs and Maintenance - Equipment (45.2), and Advertising and Promotion (39.1). Professional Fees were higher than budget by \$177.1 primarily due to increased Civil Legal Services costs related to the transition to Teranet Manitoba.

All of the Agency's offices are located in government-owned or leased facilities in accordance with a memorandum of understanding document. Accordingly, \$859.2 (2012, \$860.3) in occupancy costs, plus \$116.6 (2012, \$118.7) for vacated premises was paid entirely to the Manitoba Infrastructure and Transportation.

Computer processing expenses of \$488.6 (2012, \$504.9) were paid to IBM for the outsourced computer host system that carries the Agency's automated Land Titles and Personal Property systems.

AMORITIZATION

Amortization expenses of \$643.7 were higher than the previous fiscal year (2012, \$426.4) primarily due to additional amortization expense on system development costs related to the Client Service Improvement Initiative.

FINANCIAL CONDITION

FINANCIAL POSITION

Cash and cash equivalents were \$13.1 million as of March 31, 2013 (2012, \$11.4 million), an increase of \$1.7 million. Net financial assets increased by \$1.8 million to \$7.3 million (2012, \$5.5 million). The Agency's Accumulated Surplus increased by \$2.2 million to \$9.9 million (2012, \$7.7 million).

Interest income of \$75.6 (2012, \$84.2) was generated from investments made during the year with the Treasury Division of the Department of Finance. These investments consist of short-term notes (90 days to one-year terms) at prevailing market rates, and are considered close to risk-free as they are guaranteed by the Department of Finance.

CAPITAL EXPENDITURES

Capital asset acquisitions amounted to \$1,011.0 (2012, \$1,487.3) during the year, primarily for system development and hardware expenditures related to the Client Service Improvement.

THE PROPERTY REGISTRY
An Agency of the Special Operating
Agencies Financing Authority
Province of Manitoba

Financial Statements
For the year ended March 31, 2013

THE PROPERTY REGISTRY

**An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba**

Financial Statements

For the year ended March 31, 2013

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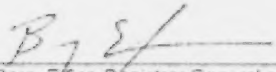
Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of the management of THE PROPERTY REGISTRY and have been prepared in accordance with Public sector accounting standards. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available to the audit report date.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the external audit is to express an independent opinion on whether the financial statements of THE PROPERTY REGISTRY are fairly represented in accordance with Public sector accounting standards. The Independent Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management
THE PROPERTY REGISTRY


Barry Effer, Registrar General and Chief
Operating Officer


Grant Kermsted, Acting Director of Finance

May 30, 2013



Independent Auditor's Report

To the Special Operating Agencies Financing Authority

We have audited the accompanying financial statements of THE PROPERTY REGISTRY, which comprise the statement of financial position as at March 31, 2013 and the statements of operations, change in net financial assets and cash flow for the year ended March 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **THE PROPERTY REGISTRY** as at March 31, 2013 and the results of its operations, net financial assets, and its cash flows for the year ended March 31, 2013 in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Accountants

Winnipeg, Manitoba
May 30, 2013

THE PROPERTY REGISTRY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Financial Position
(in thousands)

March 31	2013	2012
Financial Assets		
Cash and cash equivalents (Note 5)	\$ 13,116	\$ 11,388
Accounts receivable (Note 6)	355	722
Portfolio investments (Note 7)	1,602	1,602
	<u>15,073</u>	<u>13,712</u>
Liabilities		
Accounts payable and accruals	1,627	2,204
Unearned revenue	2,094	1,690
Employee future benefits (Note 8)	1,635	1,766
Land titles assurance fund (Note 9)	27	33
Borrowings from the Province of Manitoba (Note 10)	2,367	2,540
	<u>7,750</u>	<u>8,253</u>
Net financial assets	<u>7,323</u>	<u>5,459</u>
Non-financial Assets		
Prepaid expenses	188	201
Tangible capital assets (Note 11)	2,390	2,023
	<u>2,578</u>	<u>2,224</u>
Accumulated surplus (Note 12)	<u>\$ 9,901</u>	<u>\$ 7,683</u>
Designated assets (Note 13)		
Commitments (Note 14)		
Contingencies (Note 15)		

THE PROPERTY REGISTRY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Operations
(in thousands)

For the year ended March 31	2013	2013	2012
	Budget	Actual	Actual
Revenue			
Fees and other revenues	\$ 26,155	\$ 26,611	\$ 23,671
Revenue from entities within the Province of Manitoba	520	487	513
Investment income	60	76	84
	<u>26,735</u>	<u>27,174</u>	<u>24,268</u>
Expenses			
Salaries and employee benefits	10,320	8,531	8,689
Operating expenses (per schedule)	5,211	4,534	4,337
Amortization	762	644	426
Contributed services	260	247	250
Government system fee	-	-	-
	<u>16,553</u>	<u>13,956</u>	<u>13,702</u>
Net income before the transfer of funds to the Province of Manitoba	10,182	13,218	10,566
Transfer of funds to the Province of Manitoba (Note 16)	11,000	11,000	11,000
Net income (loss)	(818)	2,218	(434)
Accumulated surplus, beginning of year	6,152	7,683	8,117
Accumulated surplus, end of year	\$ 5,334	\$ 9,901	\$ 7,683

THE PROPERTY REGISTRY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Change in Net Financial Assets
(in thousands)

For the year ended March 31	2013	2013	2012
	Budget	Actual	Actual
Net income (loss)	\$ (818)	\$ 2,218	\$ (434)
Tangible capital assets			
Acquisition of tangible capital assets	(2,184)	(1,011)	(1,487)
Amortization of tangible capital assets	762	644	426
Net acquisition of tangible capital assets	(1,422)	(367)	(1,061)
Other non-financial assets			
Increase in prepaid expense	(4)	13	(125)
Increase (decrease) in net financial assets	(2,244)	1,864	(1,620)
Net financial assets, beginning of year	3,750	5,459	7,079
Net financial assets, end of year	\$ 1,506	\$ 7,323	\$ 5,459

THE PROPERTY REGISTRY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flow
(in thousands)

For the year ended March 31	2013	2012
	Actual	Actual
Cash Provided by (applied to):		
Operating		
Net income (loss)	\$ 2,218	\$ (434)
Amortization of tangible capital assets	644	426
	<u>2,862</u>	<u>(8)</u>
Change in:		
Accounts receivable	367	(393)
Accounts payable and accruals	(577)	600
Unearned revenue	404	132
Employee future benefits	(151)	64
Land titles assurance fund	(6)	6
Prepaid expenses	13	(125)
Cash provided by (applied to) operating activities	<u>2,912</u>	<u>276</u>
Capital		
Acquisition of tangible capital assets	<u>(1,011)</u>	<u>(1,487)</u>
Financing		
Borrowings from the Province of Manitoba	-	1,700
Debt repayments to the Province of Manitoba	<u>(173)</u>	<u>(60)</u>
Cash provided by financing activities	<u>(173)</u>	<u>1,640</u>
Net increase in cash	<u>1,728</u>	<u>429</u>
Cash and cash equivalents, beginning of year	<u>11,388</u>	<u>10,959</u>
Cash and cash equivalents, end of year	<u>\$ 13,116</u>	<u>\$ 11,388</u>

THE PROPERTY REGISTRY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in thousands)

For the year ended March 31, 2013

1. Nature of Organization

Effective April 1, 1997, the Lieutenant Governor in Council designated The Property Registry as a Special Operating Agency under The Special Operating Agencies Financing Authority Act. The order also directed the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency at that time, to enter into a management agreement with respect to The Property Registry. The Property Registry was established to operate the Land Titles and Personal Property Registry 7 offices on a self-sustaining financial basis while providing a standard of service that will meet the needs of its clients.

The Property Registry is part of the Department of Healthy Living, Seniors, and Consumer Affairs under the general direction of the Assistant Deputy Minister for Healthy Living, Seniors, and Consumer Affairs, who is also Chairperson of The Property Registry's Advisory Board. The Property Registry remains bound by relevant legislation, regulation and administrative policy as specified in its operating charter.

The Property Registry's financial contribution to the Province of Manitoba is included in the Manitoba Estimates of Revenue and Expenditure – Special Operating Agencies.

2. Basis of Accounting

The financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board.

3. Significant Accounting Policies

a. Revenue

(i) Exchange transactions

Service revenue is recognized when the rendering of services is completed or substantially completed.

(ii) Other revenue

All other revenues are recorded on an accrual basis.

b. Expenses

Accrual accounting

All expenses incurred for goods and services are recorded on an accrual basis.

Government transfers

Government transfers are recognized as expenses in the period in which the transfers are authorized and all eligibility criteria have been met.

THE PROPERTY REGISTRY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in thousands)

For the year ended March 31, 2013

3. Significant Accounting Policies (continued)

c. Financial Assets

Portfolio Investments

Portfolio investments are short-term deposits with original maturities of more than three months. These investments are recognized at cost.

d. Liabilities

Liabilities are present obligations as a result of transactions and events occurring prior to the end of the period. The settlement of the liabilities will result in the future transfer or use of assets or other form of settlement. Liabilities are recorded at the estimated amount ultimately payable.

e. Non-Financial Assets

(i) Prepaid Expenses

Prepaid expenses are payments for goods and services which will provide economic benefit in future periods. The prepaid amount is recognized as an expense in the year the goods or services are consumed.

(ii) Tangible Capital Assets

Capital assets are recorded at cost. Cost includes the purchase price as well as other acquisition costs. Amortization is computed using the straight-line method based on remaining estimated useful lives, after allowance for salvage value, where applicable as follows:

Computer system	20%
Office equipment	20%
Leasehold improvements	10%
Equipment under capital lease	20%

In the year of acquisition, amortization is calculated at one-half the rate indicated for computer systems. All other capital asset categories have amortization calculated at the full rate during the year of acquisition.

f. Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

THE PROPERTY REGISTRY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in thousands)

For the year ended March 31, 2013

4. Financial Instruments and Financial Risk Management

Measurement

Financial instruments are classified into one of the two measurement categories: a) fair value, or (b) cost or amortized cost.

The Agency records its financial assets at cost. Financial assets include cash and cash equivalents, accounts receivable and portfolio investments. The Agency also records its financial liabilities at cost. Financial liabilities include accounts payable and accruals and borrowings from the Province of Manitoba.

Gains and losses on financial instruments measured at fair value are recorded in accumulated surplus as remeasurement gains and losses until realized. Upon disposition of the financial instruments, the cumulative remeasurement gains and losses are reclassified to the consolidated statement of operations. Gains and losses on financial instruments measured at cost or amortized cost are recognized in the consolidated statement of operations in the period the gain or loss occurs.

The Agency did not incur any re-measurement gains and losses during the year ended March 31, 2013 (2012 - \$Nil).

Financial risk management - overview

The Agency has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; market risk; interest risk; and foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Agency to credit risk consist principally of cash and cash equivalents, accounts receivable and portfolio investments.

The maximum exposure of the Agency to credit risk at March 31, 2013 is:

	2013	2012
Cash and cash equivalents	\$ 13,116	\$ 11,388
Accounts receivable	355	722
Portfolio investments	1,602	1,602
	\$ 15,073	\$ 13,712

Cash and cash equivalents and portfolio investments: the Agency is not exposed to significant credit risk as these amounts are held by the Minister of Finance or a Chartered Bank.

THE PROPERTY REGISTRY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in thousands)

For the year ended March 31, 2013

4. Financial Instruments and Financial Risk Management (continued)

Accounts receivable: The Agency is not exposed to significant credit risk as the majority of accounts receivable are with related entities. The balance is due from a large client base, and payment in full is typically collected when it is due. The Agency establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, customer analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

Management has determined that no allowance for doubtful accounts is required as at March 31, 2013 (2012 - \$Nil).

Liquidity Risk

Liquidity risk is the risk that the Agency will not be able to meet its financial obligations as they come due.

The Agency manages liquidity risk by maintaining adequate cash balances and by review from the Province of Manitoba to ensure adequate funding will be received to meet the obligations.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Agency's income or the fair values of its financial instruments.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to funds on deposit, portfolio investments and borrowings.

The interest rate risk on funds on deposit is considered to be low because of their short-term nature. The interest rate risk on portfolio investments is considered low as the original deposits are reinvested at rates for investments with similar terms and conditions.

The Agency manages its interest rate risk on long term debt through the exclusive use of fixed rate terms for its long-term debt.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Agency is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency.

THE PROPERTY REGISTRY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in thousands)

For the year ended March 31, 2013

5. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with original maturities of three months or less.

	2013	2012
Restricted	\$ 2,094	\$ 1,690
Unrestricted	11,022	9,698
Total cash and cash equivalents	<u>\$ 13,116</u>	<u>\$ 11,388</u>

The restricted balance represents the amount of customer deposits held in a separate bank account. These deposits remain as unearned revenue until services are provided.

6. Accounts Receivable

	2013	2012
Trade receivables	\$ 298	\$ 611
Receivable from government and departments	57	111
	<u>\$ 355</u>	<u>\$ 722</u>

7. Portfolio Investments

Portfolio investments consist of a term deposit with an annual interest rate of 1.06% maturing on March 31, 2014.

8. Employee Future Benefits

	2013	2012
Severance benefits	\$ 1,453	\$ 1,604
Sick pay benefits	182	182
	<u>\$ 1,635</u>	<u>\$ 1,786</u>

THE PROPERTY REGISTRY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in thousands)

For the year ended March 31, 2013

8. Employee Future Benefits (continued)

Pension benefits

Employees of The Property Registry are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including The Property Registry, through the Civil Service Superannuation Fund (CSSF). Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, The Property Registry transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, The Property Registry was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2013 was \$482 (\$439 in 2012). Under this agreement, the Agency has no further pension liability.

Severance benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related party employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2011. The report provides a formula to update the liability on an annual basis. The Agency's actuarially determined net liability for accounting purposes as at March 31, 2013 is \$1,453 (2012 - \$1,604). The actuarial loss of \$38 based on actuarial reports is being amortized over the 15 year expected average remaining service life (EARSL) of the employee group.

Significant long-term actuarial assumptions used in the March 31, 2011 valuation, and in the determination of the March 31, 2013 present value of the accrued severance benefit obligation were:

Annual rate of return	
inflation component	2.00%
real rate of return	4.00%
	<u>6.00%</u>
Annual salary increase rates	
annual productivity increase	1.00%
annual general salary increase	2.75%
	<u>3.75%</u>

THE PROPERTY REGISTRY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in thousands)

For the year ended March 31, 2013

8. Employee Future Benefits (continued)

The severance benefit liability at March 31 includes the following components:

	2013	2012
Accrued benefit liability	\$ 1,476	\$ 1,630
Less: unamortized actuarial losses	(23)	(26)
Severance benefit liability	<u>\$ 1,453</u>	<u>\$ 1,604</u>

The total expenses related to severance benefits at March 31 includes the following component:

	2013	2012
Interest on obligation	\$ 106	\$ 102
Current period benefit cost	32	32
Amortization of actuarial gain over EARS	3	3
Total expense related to severance benefit	<u>\$ 141</u>	<u>\$ 137</u>

Sick pay benefits

The Agency provides sick leave benefits for employees that accumulate but do not vest. The accrued benefit obligation related to sick leave entitlement earned by employees is determined using a valuation model developed by an actuary. The valuation is based on employee demographics, sick leave usage and actuarial assumptions. These assumptions include a 6.00% annual return and a 3.75% annual salary increase.

9. Land Titles Assurance Fund

Claims for loss as provided for in *The Real Property Act* are paid from this fund. The Agency's Land Titles Branch is responsible for the collection of deposits and the defence against claims on this fund. Claims in excess of the fund balance are paid out of the Consolidated Revenue Fund of the Province of Manitoba.

THE PROPERTY REGISTRY
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Notes to Financial Statements
(in thousands)

For the year ended March 31, 2013

10. Borrowings from the Province of Manitoba

As part of the Agency's long-term business plans, there were additions to the computer systems. Pursuant to the Loan Act, the Agency was required to obtain financing from the Province of Manitoba.

Borrowing obtained through the use of available Loan Act Authority are repayable in annual instalments of principal plus interest, as follows:

Interest Rate	Annual Payment (\$)	Maturity Date	2013	2012
4.2%	\$60	March 31, 2026	\$ 780	\$ 840
3.4%	113	March 31, 2027	1587	1700
			<u>\$ 2367</u>	<u>\$ 2540</u>

Unused loan authority of \$6,000 was available as of March 31, 2012. Of the \$6,000 in available loan authority, \$Nil was drawn down at during the year ended March 31, 2013.

Interest cost is measured using the effective interest method. Principal repayments in each of the next five years are as follows:

Year	Amount
2013	\$ 173
2014	173
2015	173
2016	173
2017	173

THE PROPERTY REGISTRY
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Province of Manitoba
Notes to Financial Statements
(in thousands)

For the year ended March 31, 2013

11. Tangible Capital Assets

		2013			
		Opening balance	Additions	Disposals	Closing balance
Cost					
Computer system	\$	2,789	\$ 976	\$ -	\$ 3,765
Office equipment		1,522	35	-	1,557
Leasehold improvements		589	-	-	589
Equipment under capital lease		70	-	-	70
		<u>4,970</u>	<u>1,011</u>	<u>-</u>	<u>5,981</u>
Accumulated amortization					
Computer system		1,001	540	-	1,541
Office equipment		1,380	64	-	1,444
Leasehold improvements		496	40	-	536
Equipment under capital lease		70	-	-	70
		<u>2,947</u>	<u>644</u>	<u>-</u>	<u>3,591</u>
	\$	<u>2,023</u>	\$ <u>367</u>	\$ <u>-</u>	\$ <u>2,390</u>
		2012			
		Opening balance	Additions	Disposals	Closing balance
Cost					
Computer system	\$	1,390	\$ 1,399	\$ -	\$ 2,789
Office equipment		1,434	88	-	1,522
Leasehold improvements		589	-	-	589
Equipment under capital lease		70	-	-	70
		<u>3,483</u>	<u>1,487</u>	<u>-</u>	<u>4,970</u>
Accumulated amortization					
Computer system		682	319	-	1,001
Office equipment		1,313	67	-	1,380
Leasehold improvements		456	40	-	496
Equipment under capital lease		70	-	-	70
		<u>2,521</u>	<u>426</u>	<u>-</u>	<u>2,947</u>
	\$	<u>962</u>	\$ <u>1,061</u>	\$ <u>-</u>	\$ <u>2,023</u>

THE PROPERTY REGISTRY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in thousands)

For the year ended March 31, 2013

12. Accumulated Surplus

The Agency has allocated \$2,427 of its accumulated surplus for a revenue fluctuation reserve fund to provide the Agency the ability to carry costs through a period of economic downturn.

13. Designated Assets

Designated assets are distinct from restricted assets. Unlike restricted assets, the Agency or the Government can readily change its by-law or resolution and use the designated assets for another purpose if the need arises. The Agency has allocated \$1,602 (2012 - \$1,602) of its temporary investments as designated assets for settling certain of its vacation and severance liabilities. This amount is held in an interest bearing account until the cash is required to discharge the related liabilities. Any unused balance is re-invested annually.

14. Commitments

The Agency has entered into a Memorandum of Understanding with Manitoba Infrastructure and Transportation (MIT) to lease its premises. The accommodation charges are established annually by MIT, and are based on its approved budget.

The Agency has also entered into agreements to lease equipment. These agreements carry various terms and conditions.

The estimated minimum lease payments for the premises and equipment in aggregate for each of the next five years are as follows:

	Premises	Equipment	Total
2012	\$ 1,000	\$ 24	\$ 1,024
2013	1,030	24	1,054
2014	1,061	24	1,085
2015	1,093	24	1,117
2016	1,126	24	1,150
Total minimum lease payments	\$ 5,310	\$ 120	\$ 5,430

15. Contingencies

The Property Registry has been named in five lawsuits for which the likelihood of damages being awarded and the amount to be awarded is not reasonably estimable. Should any loss result from the resolution of these claims, such loss will be charged to the Assurance Fund of Manitoba in the year of resolution.

THE PROPERTY REGISTRY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(In thousands)

For the year ended March 31, 2013

16. Transfer of Funds to the Province of Manitoba

During the year, with Lieutenant-Governor-in-Council approval by Order in Council, the Agency transferred \$11,000 (2012 - \$11,000) of its surplus funds to the Province of Manitoba.

17. Land Transfer Tax

Land transfer tax is administered and collected by the Property Registry. Tax collected less refunds issued is remitted to the Consolidated Revenue Fund of the Province of Manitoba. Adjustments and refunds of land transfer tax are paid out of the Department of Finance under the advice of the Registrar General. During the year, the amount of land transfer tax collected and remitted was \$74,955 (2012 - \$67,336). These amounts are not reflected in the Agency's financial statements.

18. Subsequent Event

On December 12, 2012, Teranet Holdings Limited Partnership and the Province of Manitoba entered into a term sheet setting out the fundamental terms and conditions of a transaction pursuant to which the Province of Manitoba will grant to a limited partnership, Teranet Manitoba LP, a 30-year exclusive concession to own and operate the business and operations of The Property Registry of Manitoba (the "TPR"), which includes the transfer of certain assets and a workforce of approximately 137 employees. Under the terms of the proposed agreement, Teranet Manitoba will provide services to the Province of Manitoba to facilitate the delivery by the Province of Manitoba of its statutory functions relating to the Land Titles Office and the Personal Property Registry.

The completion of the transaction will be subject to the satisfaction of certain conditions and the finalization of mutually agreed upon definitive agreements. The transaction is expected to close in the first half of the 2014 fiscal year at which point Teranet Manitoba will provide the Province of Manitoba with a one-time upfront payment of \$75.0 million.

Commencing on the closing date and for the duration of the term of the definitive agreements, Teranet Manitoba will be:

- entitled to receive and retain all statutory fees and certain other fees collected in connection with the operation of the TPR Business, including registration and search fees; and
- required to pay to the Province of Manitoba an annual royalty at rates that will vary based on transaction volumes.

THE PROPERTY REGISTRY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Schedule of Operating Expenses
(in thousands)

For the year ended March 31	2013	2012
Better Systems Initiative	\$ 920	\$ 960
Computer processing	489	505
Department services	66	68
Desktop services	618	523
Equipment lease	32	55
Interest and bank charges	153	104
Occupancy cost	859	860
Office supplies	161	153
Postage and delivery	118	125
Professional fees	237	93
Publications and subscriptions	26	27
Records preservation project	96	388
Repairs and maintenance	47	63
Software licensing	16	14
Special surveys	100	58
Sundry	10	11
Survey remonumentation program	403	170
Telephone	91	90
Training and staff development	60	44
Travel	24	26
	<u>\$ 4,534</u>	<u>\$ 4,337</u>

To the Special Operating Agencies Financing Authority

Management's Responsibility for the Schedule

Auditor's Responsibility

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the Schedule.

Opinion

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the Schedule, which describes the basis of accounting. The schedule is prepared to assist The Property Registry, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba to meet the requirements of Section 2 of The Public Sector Compensation Disclosure Act. As a result, the Schedule may not be suitable for another purpose. Our report is intended solely for the Special Operating Agencies Financing Authority and should not be distributed to or used by parties other than the Special Operating Agencies Financing Authority.

Chartered Accountants

Winnipeg, Manitoba
May 30, 2013

54 FINANCIAL REPORT

**The Property Registry
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Schedule of Compensation**

(In Thousands)

For the year ended March 31, 2013

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, the following information is reported:

- a) Aggregate compensation of all Board Members - Nil
- b) Compensation of Officers and Employees over \$50,000

<i>Employee</i>	<i>Title</i>	<i>Compensation</i>
Anderson D	Document Examiner	65
Anderson N	Deputy Registrar General and District Registrar	128
Antonio C	Director of Information Technology	90
Ayotte R	Survey Examiner	67
Bakema R	Assistant District Registrar	53
Barraut K	Programmer/Business Analyst	77
Berg C	Document Examiner	56
Bilodeau G	Bilingual Assistant District Registrar	55
Brown W	Assistant District Registrar	57
Burtnick P	Deputy Examiner of Surveys	85
Busch J	Clerk 3	50
Cass A	Supervisor of Plan Examinations/Imaging	62
Cruse F	Document Examiner	51
Davidson R	Senior Deputy District Registrar	132
Devisser S	Team Leader	61
Dillabough S	Survey Examiner	55
Dubell D	Revenue Supervisor	64
Durnin J	Survey Examiner	54
Effler B	Registrar General and Chief Operating Officer	140
Esteves D	Team Leader	52
Flett D	Document Examiner	51
Foster D	Acting Financial Officer	57
Fraser G	Examiner of Surveys	99
Frost B	Senior Business Analyst	76
Gilletta R	Acting Manager of Examinations	82
Grainger K	Assistant District Registrar	56
Greengrass F	Document Examiner	56
Griffin C	Survey Examiner	54
Gwizon A	Assistant District Registrar	64
Harper M	Assistant District Registrar	78
Hlady D	Survey Examiner	54
Hornby C	Manager of Public Services	67

<i>Employee</i>		<i>Title</i>	<i>Compensation</i>
Imbrogno	J.	Deputy District Registrar	113
Jenkyns	C.	Survey Examiner	54
Johnston	B.	District Registrar	130
Kernested	G.	Acting Director of Finance	73
Kirton	G.	Tax Official	55
Krahn	P.	Team Leader	56
Lillie	G.	District Registrar	130
Manitowich	C.	Deputy Examiner of Surveys	92
Marykuca	K.	Document Examiner	51
McEachern	B.	Assistant District Registrar	59
Mitchell	T.	Survey Examiner	53
Norek	K.	Survey Examiner	54
Olsen	B.	Survey Examiner	54
Pauls	I.	Database Administrator	78
Phillips	G.	Client Services Supervisor	61
Pierce	H.	Document Examiner	51
Russell	C.	District Registrar	132
Scott	G.	Paralegal	65
Scott	J.	Assistant District Registrar	77
Shaw	B.	Survey Examiner	54
Simmonds	I.	Deputy District Registrar	127
Sims	E.	District Registrar	130
Staub	L.	Document Examiner	51
Stephenson	J.	Document Examiner	52
Stupack	D.	Network Administrator	71
Terra	M.	District Registrar	109
Walker	S.	Document Examiner	70
Wilken	D.	Paralegal	59
Wojciechowski	C.	Survey Examiner	52
Woroniak	D.	Registrar of Personal Property Registry	66

**The Property Registry
Note to Schedule of Compensation**

1. Basis of Accounting

Pursuant to Section 2 of The Public Sector Compensation Disclosure Act, the entity shall disclose to the public in accordance with the Act the amount of compensation that it pays or provides in the year directly or indirectly. Compensation means compensation pursuant to any arrangement, including an employment contract, calculated to include the total value of all cash and non-cash salary or payments, allowances, bonuses, commissions and perquisites.

56 AGENCY GOVERNANCE

Jim Rondeau, Minister, Healthy Living, Seniors and Consumer Affairs

Cindy Stevens, Deputy Minister, Healthy Living, Seniors and Consumer Affairs

M. Alexandra Morton, QC, Assistant Deputy Minister, Consumer Affairs

The Property Registry Advisory Board

Barry C. Effler, Registrar-General and Chief Operating Officer

AGENCY SENIOR MANAGEMENT COMMITTEE

Barry C. Effler	Registrar-General and Chief Operating Officer
Nancy Anderson	Deputy Registrar-General and District Registrar, Winnipeg Land Titles Office
Paul Burtick	Acting Examiner of Surveys
Donna Woroniak	Registrar, Personal Property Registry
Grant Kernersted	Acting Director, Finance
Cecilia Antonio	Director, Information Technology

DISTRICT REGISTRARS

Craig Russell	Brandon Land Titles Office
Maureen Terra	Morden Land Titles Office
Elizabeth Sims	Neepawa Land Titles Office
Blair Johnston	Dauphin Land Titles Office
Gordon Lillie	Portage la Prairie Land Titles Office

AGENCY OFFICES

The Property Registry Administration
276 Portage Ave.
Winnipeg, Manitoba R3C 0B6
Telephone: (204)945-3803
Fax: (204)948-3276
web site: <http://www.gov.mb.ca/tpr>

Winnipeg Land Titles Office
276 Portage Ave.
Winnipeg, Manitoba R3C 0B6
Telephone: (204)945-2042
Fax: (204)948-2140

Surveys Branch
276 Portage Ave.
Winnipeg, Manitoba R3C 0B6
Telephone: (204)945-2285
Fax: (204)948-2823

Personal Property Registry
276 Portage Ave.
Winnipeg, Manitoba R3C 0B6
Telephone: (204)945-3123
Fax: (204)948-2492

Brandon Land Titles Office
705 Princess Avenue
Brandon, Manitoba R7A 0P4
Telephone: (204)726-6279
Fax: (204)726-6553

Dauphin Land Titles Office
308 Main Street South
Dauphin, Manitoba R7N 1K7
Telephone: (204)622-2084
Fax: (204)622-2454

Morden Land Titles Office
351 Stephen Street
Morden, Manitoba R6M 1V1
Telephone: (204)822-2920
Fax: (204)822-2928

Portage la Prairie Land Titles Office
25 Tupper Street North
Portage la Prairie, Manitoba R1N 3K1
Telephone: (204)239-3306
Fax: (204)239-3615

Neepawa Land Titles Office
329 Hamilton Street
Neepawa, Manitoba R0J 1H0
Telephone: (204)476-7040
Fax: (204)476-7049

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